



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Setting Priorities for Filing Written Arguments Regarding Fire and Facilities Sales Tax and Water Rate Reduction Measures Scheduled for the November 7, 2006, General Municipal Election and Directing the City Attorney to Prepare an Impartial Analysis

MEETING DATE: June 7, 2006

PREPARED BY: City Clerk

RECOMMENDED ACTION: That the City Council adopt the attached resolution setting priorities for filing written arguments regarding Fire and Facilities Sales Tax and Water Rate Reduction measures scheduled for the November 7, 2006, General Municipal Election and directing the City Attorney to prepare an impartial analysis.

BACKGROUND INFORMATION: It is necessary for the City Council to adopt a resolution setting the priorities for filing written arguments for or against measures submitted for the ballot for the November 7, 2006, General Municipal Election, as well as setting forth the deadlines.

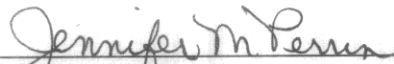

The following deadlines are hereby established pursuant to Elections Code Sections 9285, 9286, and 9220.

- Deadline for filing arguments (not exceeding 300 words) – **June 21, 2006**
- Deadline for filing rebuttal arguments (not exceeding 250 words) – **July 3, 2006**

Arguments must be filed in the City Clerk's Office on or before the deadlines established, during normal office hours.

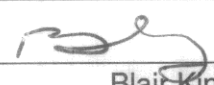
FISCAL IMPACT: None.

FUNDING AVAILABLE: N/A


Jennifer M. Perrin
Interim City Clerk 

JMP
Attachments

APPROVED:


Blair King, City Manager

RESOLUTION NO. 2006-111

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI, CALIFORNIA, SETTING PRIORITIES FOR FILING (A) WRITTEN ARGUMENT(S) REGARDING CITY MEASURES AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS

WHEREAS, a General Municipal Election is to be held in the City of Lodi, California, on Tuesday, November 7, 2006, at which there will be submitted to the voters two measures: 1) Fire and Facilities Sales Tax Initiative and 2) Water Rate Reduction Initiative (text of the proposed ordinances are attached as Exhibits A and B, respectively).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LODI, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. That the City Council authorizes all members of the City Council to file (a) written argument(s) In Favor of or Against City measure, accompanied by the printed name(s) and signature(s) of the person(s) submitting it, in accordance with Article 4, Chapter 3, Division 9, of the Elections Code of the State of California and to change the argument until and including the date fixed by the City Clerk, after which no arguments for or against the City measure may be submitted to the City Clerk.

SECTION 2. That the City Council directs the City Clerk to transmit a copy of the measure to the City Attorney who shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

Dated: June 7, 2006

I hereby certify that Resolution No. 2006-111 was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 7, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Johnson, and Mounce
NOES: COUNCIL MEMBERS – None
ABSENT: COUNCIL MEMBERS – Mayor Hitchcock
ABSTAIN: COUNCIL MEMBERS – None


JENNIFER M. PERRIN
Interim City Clerk

EXHIBIT A

FIRE AND FACILITIES SALES TAX INITIATIVE (Text of Proposed Ordinance)

AN ORDINANCE OF THE CITY OF LODI IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION AND ADDING CHAPTER 3.09 TO THE LODI MUNICIPAL CODE

THE PEOPLE OF THE CITY OF LODI DO ORDAIN AS FOLLOWS:

SECTION 1. The Lodi Municipal Code is hereby amended by the addition of Chapter 3.09, which shall read as follows:

3.09.010 Title and Effect

This chapter shall be known as the Lodi Transactions and Use Tax Ordinance. This chapter shall be applicable in the incorporated territory of the City of Lodi ("City"). This chapter shall complement, and not replace or supersede, the City's existing sales and use tax, as such tax is described in Chapter 3.08 of the Municipal Code.

3.09.020 Operative Date

As used in Chapter 3.09, "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this chapter. If this chapter is approved by the voters at the March 2005 election, the operative date shall be July 1, 2005.

3.09.030 Purpose

This chapter is adopted to achieve the following, among other purposes, and the City Council directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose retail transactions and use tax regulations in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code if two thirds of the electors voting on the measure vote to approve the imposition of the tax at a special election called for that purpose.
- B. To adopt retail transactions and use tax regulations that incorporate provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- C. To adopt retail transactions and use tax regulations that impose a tax and provide a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.
- D. To adopt retail transactions and use tax regulations that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this chapter.

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FIRE AND FACILITIES SALES TAX INITIATIVE
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3.09.040 Expenditure Plan

- A. The Expenditure Plan is designed to ensure that the City accomplishes the specific projects listed below with the revenue generated from the transactions and use tax. The revenue from the transactions and use tax shall be expended on these specific projects in the following order of priority:
1. Placing paramedics on fire engines in Lodi (up to \$700,000 per year for six years);
 2. Design and construction of Fire Station #5, which shall be located in the southeast portion of Lodi (up to \$2,000,000);
 3. Construction of the Lodi Aquatics Center (up to \$9,000,000);
 4. Design and construction of a replacement for Fire Station #2, which shall be located in the eastern portion of Lodi (up to \$2,000,000);
 5. Construction of a downtown indoor sports center (up to \$9,000,000); and
 6. Maintenance and operation of the facilities above (up to \$1,500,000).
- B. Once the City has collected revenue from this transactions and use tax in the amount of \$700,000, it shall hire an appropriate number of paramedics and begin providing paramedic services on fire engines in the City within twelve months. Thereafter, subject to its ongoing duty to expend \$700,000 per year to fund paramedics pursuant to this Expenditure Plan, once the City collects the amount listed for each subsequent project it shall begin design or construction of the designated facilities within six months.
- C. The City Council shall appoint an advisory committee to ensure that the revenue from the transactions and use tax is spent in accordance with the actual terms and overall intent of this ordinance. The committee shall consist of five individuals and shall, at all times, include one member of Lodi Professional Firefighters Local 1225, one member of the Lodi City Swim Club, one member of the Lodi Sports Foundation, one member of the City Council, and one person selected at large by the City Council in its discretion. Each member of the advisory committee shall serve for a term of two years, which term may be renewed by the City Council. In the event of a vacancy on the committee, the City Council shall appoint an appropriate replacement member.
- D. If the City Council and the advisory committee both determine that the maximum dollar amount to be spent on one of more of these projects is insufficient to achieve the goals of this ordinance, the City Council may increase the maximum dollar amount for such project(s), provided that it first holds a noticed public hearing and makes specific findings that the increased expenditures for one or more projects is necessary to complete such project(s) in an effective manner and to fulfill the intent of this ordinance.
- E. If the City Council and the advisory committee both determine that the order of priority for these projects should be changed, the City Council may change the order of priority, provided that it first holds a noticed public hearing and makes specific findings that the change in the order of priority is in the best interests of the City and its residents.

EXHIBIT A

*FIRE AND FACILITIES SALES TAX INITIATIVE
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- F. Once revenue in the amounts listed above has been spent on the services and facilities included in each of these projects, any remaining revenue raised through this transactions and use tax shall be spent to help maintain such services and facilities.

3.09.050 Contract with State

Prior to the Operative Date of July 1, 2005, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of these transactions and use tax regulations; provided that, if the City shall not have contracted with the State Board of Equalization prior to the Operative Date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following the execution of such a contract.

3.09.060 Transactions Tax Rate

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of .25% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this chapter.

3.09.070 Place of Sale

For the purposes of this chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3.09.080 Use Tax Rate

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this chapter for storage, use or other consumption in said territory at the rate of .25% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.09.090 Adoption of Provisions of State Law

Except as otherwise provided in this chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this chapter as though fully set forth herein.

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3.09.100 Limitations on Adoption of State Law and Collection of Use Taxes

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:
 - 1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;
 - 2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Chapter.
 - 3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
 - 4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.
- B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

3.09.110 Permit not Required

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this chapter.

3.09.120 Exemptions and Exclusions

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.
- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

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1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
 2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this chapter.
 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this chapter.
 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this chapter, the storage, use or other consumption in this City of tangible personal property:
1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax regulations.
 2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or

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compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this chapter.
 4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this chapter.
 5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
 6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
 7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.
- D. Any person subject to use tax under this chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.09.130 Amendments

All amendments subsequent to the effective date of this chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code,

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and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this chapter, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this chapter. Except as provided above and in Section 3.40.140, this chapter may be amended only by the voters pursuant to the provisions of Elections Code section 9217 and as provided by law.

3.09.140 Termination of Tax

The transactions and use tax imposed by this Chapter shall terminate ten years from the Operative Date.

3.09.150 Enjoining Collection Forbidden

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this chapter, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

SECTION 2. Severability. If any provision of this chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

SECTION 3. Effective Date. After its adoption by the voters, this chapter shall be in full force and effect ten (10) days after the vote is declared by the legislative body, pursuant to the provisions of Elections Code sections 9217 and 15400 and as provided by law.

EXHIBIT B

WATER RATE REDUCTION INITIATIVE (Text of Proposed Ordinance)

AN ORDINANCE BROUGHT BY THE PEOPLE OF THE CITY OF LODI REPEALING RESOLUTION NO. 2005-203 OF THE LODI CITY COUNCIL "A RESOLUTION OF THE LODI CITY COUNCIL ESTABLISHING WATER RATES" IN RESPONSE TO THE WATER UTILITY TAXATION IMPOSED UPON THE PEOPLE

Whereas regarding purpose.

Whereas the City of Lodi has a legal responsibility to promote the public health, safety, and trust of the residents of the city of Lodi and

Whereas the City of Lodi has instituted significant increases in water rates without sufficient public input for the purpose of cleaning up water contamination, the residents of the City of Lodi request the following ordinance to be placed on the next General Election ballot.

SECTION 1: The resolution No. 2005-203 of the Lodi City Council "A resolution of the Lodi City Council establishing water rates" shall be repealed.

SECTION 2: That the Levy of Charges imposed pursuant to section 13.08.010 of the Lodi Municipal Code shall be repealed.

SECTION 3: That after the date that this ordinance is approved by the voters, all funds collected under the authority of Resolution No. 2005-203 of the Lodi City Council shall be refunded to the rate payers of the City of Lodi in a reasonable and prompt time frame.

SECTION 4: This ordinance can only be repealed by a majority vote by the voters of the City of Lodi on a General Election ballot.

SECTION 5: This ordinance is effective the day approved by the voters of the City of Lodi.

CITY COUNCIL

SUSAN HITCHCOCK,
Mayor

BOB JOHNSON,
Mayor Pro Tempore

JOHN BECKMAN

LARRY D. HANSEN

JOANNE MOUNCE

CITY OF LODI



BLAIR KING,
City Manager

JENNIFER M. PERRIN,
Interim City Clerk

D. STEPHEN SCHWABAUER,
City Attorney

CITY HALL, 221 WEST PINE STREET / P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6702 / FAX (209) 333-6807 / www.lodi.gov

June 2, 2006

John Johnson
106 S. Orange Avenue
Lodi, CA 95240

JUNE 7, 2006, REGULAR CITY COUNCIL MEETING
Issue relating to the Fire & Facilities Sales Tax Initiative

This is to notify you that at the City Council meeting of June 7, 2006, at 7:00 p.m., or as soon thereafter as the matter can be heard, in the Council Chamber, at the Carnegie Forum, 305 West Pine Street, Lodi, the Council will consider the following item.

- K-3 Adopt resolution setting priorities for filing written arguments regarding Fire and Facilities Sales Tax and Water Rate Reduction measures scheduled for the November 7, 2006, General Municipal Election and directing the City Attorney to prepare an impartial analysis (CLK)

Enclosed is a copy of the June 7, 2006, City Council agenda and the staff report related to the above item. Should you wish to speak on this matter, please submit a "Request to Speak" card (*available in the Carnegie Forum*) to the City Clerk prior to the opening of the meeting.

Should you have any questions, please contact me at 333-6702.

A handwritten signature in cursive script that reads "Jennifer M. Perrin".
Jennifer M. Perrin
Interim City Clerk

JMP

Enclosure



DECLARATION OF MAILING

NOTICE OF ELECTION FOR MEASURES RELATING TO THE FIRE AND FACILITIES SALES TAX AND WATER RATE REDUCTION INITIATIVES

On June 9, 2006, in the City of Lodi, San Joaquin County, California, I deposited in the United States mail, envelopes with first-class postage prepaid thereon, containing transmittal letter regarding Notice of Election for measures relating to the Fire and Facilities Sales Tax and Water Rate Reduction Initiatives, attached hereto, Marked Exhibit A. The mailing list for said matter is attached hereto, marked Exhibit B.

There is a regular daily communication by mail between the City of Lodi, California, and the places to which said envelopes were addressed.


I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 9, 2006, at Lodi, California.

ORDERED BY:

JENNIFER M. PERRIN
INTERIM CITY CLERK, CITY OF LODI

ORDERED BY:


JENNIFER M. PERRIN, CMC
INTERIM CITY CLERK

JACQUELINE L. TAYLOR, CMC
DEPUTY CITY CLERK

DANA R. CHAPMAN
ADMINISTRATIVE CLERK

CITY COUNCIL

SUSAN HITCHCOCK,
Mayor

BOB JOHNSON,
Mayor Pro Tempore

JOHN BECKMAN

LARRY D. HANSEN

JOANNE MOUNCE

CITY OF LODI



BLAIR KING,
City Manager

JENNIFER M. PERRIN,
Interim City Clerk

D. STEPHEN SCHWABAUER,
City Attorney

CITY HALL, 221 WEST PINE STREET / P.O. BOX 3006

LODI, CALIFORNIA 95241-1910

(209) 333-6702 / FAX (209) 333-6807 / www.lodi.gov

June 9, 2006

To: Interested Parties:

RE: Notice of Election for Measures Relating to the Fire and Facilities Sales Tax and Water Rate Reduction Initiatives

The Lodi City Council has ordered the following measures to be submitted to the voters at the November 7, 2006, General Municipal Election: 1) Fire and Facilities Sales Tax Initiative (Resolution No. 2005-66 adopted April 6, 2005) and 2) Water Rate Reduction Initiative (Resolution No. 2006-110 adopted June 7, 2006).


Enclosed for informational purposes is a copy of the Notice of Election for the measures, which includes the following information:

- Deadline for filing arguments (not exceeding 300 words) – **June 21, 2006**
- Deadline for filing rebuttal arguments (not exceeding 250 words) – **July 3, 2006**

Arguments must be filed in the City Clerk's Office on or before the deadlines established during normal office hours.

Also enclosed is the "Form of Statement to be Filed by Author of Argument," which must accompany any argument filed in the City Clerk's Office. Should you have any questions, please feel free to contact my office.

Sincerely,


Jennifer M. Perrin
Interim City Clerk

JMP

Enclosures



**NOTICE OF ELECTION
FOR MEASURES RELATING TO 1) FIRE AND FACILITIES
SALES TAX INITIATIVE AND 2) WATER RATE REDUCTION INITIATIVE**

NOTICE IS HEREBY GIVEN that a General Municipal Election will be held in the City of Lodi, California, on Tuesday, November 7, 2006, for the following Measures.

Shall the ordinance establishing a ten-year one quarter cent transactions and use (sales) tax for the limited purpose of the implementation, construction, maintenance, and operation of the following prioritized projects: 1) placing paramedics on fire engines; 2) design and construction of Fire Station Number Five; 3) construction of the Lodi Aquatics Center; 4) design and construction of a replacement for Fire Station Number Two; and 5) construction of an Indoor Sports Center be adopted?	Yes
	No

NOTE: The full text of the initiative is available for public examination in the City Clerk's Office.

**FIRE AND FACILITIES SALES TAX INITIATIVE
(Summary prepared by City Attorney)**

The Fire and Facilities Sales Tax Initiative proposes to amend the Lodi Municipal Code to add new Chapter 3.09 adding an additional one quarter cent transaction and use (sales) tax. The tax would be paid in addition to current State and local sales taxes and would be collected at the same time, in the same manner, and on the same items as existing sales taxes. The sales tax levy must be approved by a two-thirds vote of the qualified voters in the City voting in an election on the issue. If approved, the sales tax levy would remain in effect for ten years.

The initiative requires that the proceeds of the tax be spent on the following projects in the following priority: 1. Placing paramedics on fire engines in Lodi (up to \$700,000 per year for six years); 2. Design and construction of Fire Station #5 which shall be located in the southeast portion of Lodi (up to \$2,000,000); 3. Construction of the Lodi Aquatics Center (up to \$9,000,000); 4. Design and construction of a replacement for Fire Station #2, which shall be located in the eastern portion of Lodi (up to \$2,000,000); 5. Construction of a downtown indoor sports center (up to \$9,000,000); and 6. Maintenance and operation of the facilities above (up to \$1,500,000). The initiative requires that the proceeds be spent on the above projects and no others.

The initiative also establishes an oversight committee to ensure that the proceeds are spent on the listed projects. The oversight committee would also have the power to, jointly with the City Council, approve proposed changes in the priority or maximum expense of projects based upon changed circumstances.

Shall the ordinance rescinding Resolution No. 2005-203 entitled, "A Resolution of the Lodi City Council establishing water rates" be passed?	Yes
	No

NOTE: The full text of the initiative is available for public examination in the City Clerk's Office.

**WATER RATE REDUCTION INITIATIVE
(Summary prepared by City Attorney)**

In 1989 chemicals known as perchloroethylene (PCE) and trichloroethylene (TCE) were found in the groundwater that the City uses to supply its water customers. These chemicals were used by Lodi businesses. Both chemicals have been found by the state and federal health regulators to be hazardous to human health.

The City filed a lawsuit against those responsible for using the chemicals, and was in turn sued by those parties, who claim the City is responsible based on releases of chemicals from the sewers. Although the City has obtained some settlements, the Court found the City to be potentially responsible for some of the cleanup, and state regulators have ordered the City to investigate and clean up the chemicals. The City estimates that its ultimate cost for the cleanup including capital, operating, legal and regulatory oversight expenses, and repayment of past funds advanced by the water fund will be \$45.7 million.

On September 21, 2005, the Lodi City Council adopted Resolution No. 2005-203 entitled "A resolution of the Lodi City Council establishing water rates," raising water rates to pay for the cleanup.

This initiative would repeal Resolution No. 2005-203, repeal the Levy of Charges imposed pursuant to that resolution, and require that all funds collected under the authority of that resolution be refunded to rate payers in a reasonable and prompt time frame. The Initiative states that it would become effective upon the date that it is approved (which California law defines to be 10 days after the results of the election on the measure are declared) and that it can only be repealed by a majority vote of Lodi's voters.

The initiative would not eliminate the City's legal duty to fund its portion of the cleanup, but would require the City to find another means to do so.

(The polls will be open between the hours of 7:00 a.m. and 8:00 p.m.)

**NOTICE TO VOTERS OF DATE AFTER WHICH NO ARGUMENT FOR OR AGAINST
CITY MEASURE MAY BE SUBMITTED TO THE CITY CLERK**

NOTICE IS FURTHER GIVEN that pursuant to Article 4, Chapter 3, Division 9, of the Elections Code of the State of California, the legislative body of the City of Lodi, or any member or members thereof authorized by the body, or any individual voter or bona fide association of citizens, or any combination of voters and association, may file a written argument, not to exceed 300 words in length, ***accompanied by the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument,*** for or against the City measure.

NOTICE IS FURTHER GIVEN that, based upon the time reasonably necessary to prepare and print the arguments and sample ballots for the election, the City Clerk has fixed **June 21, 2006, during normal office hours, as posted**, as the date prior to the election after which no arguments for or against the City measure may be submitted to the City Clerk for printing and distribution to the voters as provided in Article 4. Arguments shall be submitted to the City Clerk, ***accompanied by the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument,*** at City Hall, 221 West Pine Street ~ 2nd floor, Lodi, California, 95240. Arguments may be changed or withdrawn until and including the date fixed by the City Clerk.

NOTICE IS FURTHER GIVEN that the City Council has determined that rebuttal arguments not to exceed 250 words in length, as submitted by the authors of the opposing direct arguments, may be filed with the City Clerk, ***accompanied by the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument.*** The deadline for submitting rebuttal arguments is **July 3, 2006**, at 5:00 p.m.

NOTICE IS FURTHER GIVEN that any ordinance, impartial analysis, or direct argument filed under the authority of the Elections Code will be available for public examination in the City Clerk's Office for not less than ten (10) calendar days from the deadline for the filing of the arguments and analysis. Any rebuttal argument filed under the authority of the Elections Code will be available for public examination in the City Clerk's Office for not less than ten (10) calendar days from the deadline for filing rebuttal arguments.

Jennifer M. Perrin
Interim City Clerk
City of Lodi, California

Dated: June 8, 2006

**FORM OF STATEMENT TO BE FILED BY
AUTHOR OF ARGUMENT**

All arguments concerning measures filed pursuant to Elections Code Chapter 3 – Municipal Elections – Division 9 – Measures Submitted to the Voters – Article 4 – Arguments Concerning City Measures – shall be accompanied by the following form statement to be signed by each proponent and by each author, if different, of the argument:

The undersigned proponent(s) or author(s) of the

_____ (primary/rebuttal)

argument _____
_____ (in favor of/against)

ballot proposition _____
_____ (name or number)

at the _____ General Municipal Election

for the _____ City of Lodi

to be held on _____ Tuesday, November 7, 2006 _____ hereby state

that such argument is true and correct to the best of _____
_____ (his/her/their)

knowledge and belief.

(Legislative body or committee, if applicable)

ALL AUTHORS MUST PRINT HIS/HER NAME, SIGN, AND DATE THIS FORM

Print Name

Sign Name

Date

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Submitted herewith is the PRIMARY ARGUMENT _____ or REBUTTAL _____

_____ Measure _____
(In Favor of, Against) (name or number)

Arguments in support of or in opposition to the proposed laws are the opinions of the authors.

TEXT:

Submitted by: _____
(Legislative body or committee name, if applicable)

ALL AUTHORS MUST PRINT HIS/HER NAME AND SIGN THIS FORM

(Printed Name/Sign/Date)

(Printed Name/Sign/Date)

(Printed Name/Sign/Date)

(Printed Name/Sign/Date)

(Printed Name/Sign/Date)

MAILING LIST

Notice of Election for Measures Relating to the Fire and Facilities Sales Tax and Water Rate Reduction Initiatives

Lodi City Council Members

Blair King
City Manager

Steve Schwabauer
City Attorney

Mike Pretz
Fire Chief

Tony Goehring
Parks and Recreation Director

Richard Prima
Public Works Director

Pat Patrick, President / CEO
Lodi District Chamber of Commerce
35 S. School Street
Lodi, CA 95240

John Johnson, Assistant Treasurer
Lodi Citizens for Public Facilities
106 S. Orange Avenue
Lodi, CA 95240

Evan Luke
Lodi Firefighters PAC
25 E. Pine Street
Lodi, CA 95240

Jane Lea
1931 Holly Drive
Lodi, CA 95242

Dawn Squires
508 Hilborn Street
Lodi, CA 95240